

# Senate Amendment 5259

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1 1 Amend House File 2262, as amended, passed, and  
1 2 reprinted by the House, as follows:  
1 3 #1. By striking everything after the enacting  
1 4 clause and inserting the following:  
1 5 1 6 PUBLIC SAFETY PEACE OFFICERS' RETIREMENT, ACCIDENT,  
1 7 AND  
1 8 DISABILITY SYSTEM  
1 9 Section 1. Section 97A.17, subsection 1, Code  
1 10 2003, is amended by adding the following new  
1 11 paragraph:  
1 12 NEW PARAGRAPH. e. "Refund liability" means the  
1 13 amount the member may elect to withdraw from the  
1 14 former system under section 411.23.  
1 15 Sec. 2. Section 97A.17, subsection 2, Code 2003,  
1 16 is amended to read as follows:  
1 17 2. Commencing July 1, 1996, a vested member of an  
1 18 eligible retirement system who terminates employment  
1 19 covered by one eligible retirement system and, within  
1 20 one year, commences employment covered by the other  
1 21 eligible retirement system may elect to transfer the  
1 22 greater of the average accrued benefit or the refund  
1 23 liability earned from the former system to the current  
1 24 system. The member shall file an application with the  
1 25 current system for transfer of the greater of the  
1 26 average accrued benefit or the refund liability within  
1 27 ninety days of the commencement of employment with the  
1 28 current system.  
1 29 Sec. 3. Section 97A.17, subsection 4, Code 2003,  
1 30 is amended to read as follows:  
1 31 4. Upon receipt of an application for transfer of  
1 32 the average accrued benefit as provided in this  
1 33 section, the current system shall calculate the  
1 34 average accrued benefit and the refund liability and  
1 35 the former system shall transfer to the current system  
1 36 assets in an amount equal to the greater of the  
1 37 average accrued benefit or the refund liability. Once  
1 38 the transfer of the average accrued benefit is  
1 39 completed, the member's service under the former  
1 40 system shall be treated as membership service under  
1 41 the current system for purposes of this chapter and  
1 42 chapter 411.  
1 43 DIVISION II  
1 44 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)  
1 45 Sec. 4. Section 97B.1A, subsection 11, paragraphs  
1 46 a, b, and c, Code Supplement 2003, are amended to read  
1 47 as follows:  
1 48 a. Has attained the minimum age for receipt of a  
1 49 retirement allowance under this chapter.  
1 50 b. If the member has not attained seventy years of  
2 1 age, has terminated all employment covered under the  
2 2 chapter or formerly covered under the chapter pursuant  
2 3 to section 97B.42 in the month prior to the member's  
2 4 first month of entitlement.  
2 5 c. Has filed a completed application for benefits  
2 6 with the system setting forth the member's intended  
2 7 first month of entitlement.  
2 8 Sec. 5. Section 97B.1A, subsection 20, Code  
2 9 Supplement 2003, is amended by adding the following  
2 10 new paragraph:  
2 11 NEW PARAGRAPH. e. Employment with an employer  
2 12 prior to January 1, 1946, if the member is not  
2 13 receiving a retirement allowance based upon that  
2 14 employment.  
2 15 Sec. 6. Section 97B.1A, subsection 20, Code  
2 16 Supplement 2003, is amended by adding the following  
2 17 new unnumbered paragraph after paragraph d:  
2 18 NEW UNNUMBERED PARAGRAPH. However, effective July  
2 19 1, 2004, "service" does not mean service for which an  
2 20 employee receives remuneration from an employer for  
2 21 temporary employment during any quarter in which the  
2 22 employee is on an otherwise unpaid leave of absence  
2 23 that is not authorized under the federal Family and  
2 24 Medical Leave Act of 1993 or other similar leave.  
2 25 Remuneration paid by the employer for the temporary

2 26 employment shall not be treated by the system as  
2 27 covered wages.

2 28 Sec. 7. Section 97B.1A, subsection 22, Code  
2 29 Supplement 2003, is amended to read as follows:

2 30 22. "Special service" means service for an  
2 31 employer while employed in a protection occupation as  
2 32 provided in section 97B.49B, and as a county sheriff,  
2 33 ~~or deputy sheriff, or airport fire fighter~~ as provided  
2 34 in section 97B.49C.

2 35 Sec. 8. Section 97B.1A, subsection 24, paragraphs  
2 36 a and c, Code Supplement 2003, are amended to read as  
2 37 follows:

2 38 a. "Three-year average covered wage" means, for a  
2 39 member who retires prior to July 1, ~~2005~~ 2008, a  
2 40 member's covered wages averaged for the highest three  
2 41 years of the member's service, except as otherwise  
2 42 provided in this subsection. The highest three years  
2 43 of a member's covered wages shall be determined using  
2 44 calendar years. However, if a member's final quarter  
2 45 of a year of employment does not occur at the end of a  
2 46 calendar year, the system may determine the wages for  
2 47 the third year by computing the average quarter of all  
2 48 quarters from the member's highest calendar year of  
2 49 covered wages not being used in the selection of the  
2 50 two highest years and using the computed average  
3 1 quarter for each quarter in the third year in which no  
3 2 wages have been reported in combination with the final  
3 3 quarter or quarters of the member's service to create  
3 4 a full year. However, the system shall not use the  
3 5 member's final quarter of wages if using that quarter  
3 6 would reduce the member's three-year average covered  
3 7 wage. If the three-year average covered wage of a  
3 8 member exceeds the highest maximum covered wages in  
3 9 effect for a calendar year during the member's period  
3 10 of service, the three-year average covered wage of the  
3 11 member shall be reduced to the highest maximum covered  
3 12 wages in effect during the member's period of service.  
3 13 Notwithstanding any other provision of this paragraph  
3 14 to the contrary, a member's wages for the third year  
3 15 as computed by this paragraph shall not exceed, by  
3 16 more than three percent, the member's highest actual  
3 17 calendar year of covered wages for a member whose  
3 18 first month of entitlement is January 1999 or later.

3 19 c. "Three-year average covered wage" means, for a  
3 20 member who retires on or after July 1, ~~2005~~ 2008, the  
3 21 greater of the member's covered wages averaged for a  
3 22 member's highest twelve consecutive quarters of  
3 23 service or the member's covered wages averaged for a  
3 24 member's highest three calendar years of service. The  
3 25 system shall adopt rules to implement this paragraph  
3 26 in accordance with the requirements of this chapter  
3 27 and the federal Internal Revenue Code.

3 28 Sec. 9. Section 97B.1A, subsection 25, paragraph  
3 29 a, subparagraph (4), Code Supplement 2003, is amended  
3 30 to read as follows:

3 31 (4) Has attained the age of fifty-five. However,  
3 32 an inactive member who has not attained sufficient  
3 33 years of service eligibility to become vested and who  
3 34 has not attained the age of fifty-five as of July 1,  
3 35 2005, shall not become vested upon the attainment of  
3 36 the age of fifty-five while an inactive member.

3 37 Sec. 10. Section 97B.1A, subsection 26, paragraph  
3 38 a, subparagraph (2), subparagraph subdivision (j),  
3 39 Code Supplement 2003, is amended to read as follows:

3 40 (j) Payments of damages, attorney fees, interest,  
3 41 and penalties made to satisfy a grievance, ~~or~~ wage  
3 42 claim, or employment dispute.

3 43 Sec. 11. Section 97B.1A, subsection 26, paragraph  
3 44 a, subparagraph (2), subparagraph subdivision (n),  
3 45 Code Supplement 2003, is amended by striking the  
3 46 subparagraph subdivision.

3 47 Sec. 12. Section 97B.1A, subsection 26, paragraph  
3 48 b, unnumbered paragraph 3, Code Supplement 2003, is  
3 49 amended to read as follows:

3 50 Effective July 1, 1992, "covered wages" does not  
4 1 include wages to a member on or after the effective  
4 2 date of the member's retirement, except as otherwise  
4 3 permitted by the system's administrative rules, unless  
4 4 the member is reemployed, as provided under section  
4 5 97B.48A.

4 6 Sec. 13. NEW SECTION. 97B.9A COLLECTIONS ==

4 7 WAIVER.

4 8 Notwithstanding any provision of this chapter to  
4 9 the contrary, the system may, in its sole discretion,  
4 10 waive the collection of benefits overpayments,  
4 11 contribution underpayments, or any other debts owed  
4 12 the system, that occur more than three years prior to  
4 13 the date of discovery of the overpayment,  
4 14 underpayment, or debt by the system, for cases in  
4 15 which there is no evidence of fraud or other  
4 16 misconduct on the part of the affected employer or the  
4 17 affected member or beneficiary in providing or failing  
4 18 to provide information necessary to the proper  
4 19 determination of a debt owed the system, calculation  
4 20 of contributions and payments, or calculation of  
4 21 benefits under this chapter.

4 22 Sec. 14. Section 97B.11, Code Supplement 2003, is  
4 23 amended to read as follows:

4 24 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

4 25 1. Each employer shall deduct from the wages of  
4 26 each member of the retirement system a contribution in  
4 27 the amount of ~~three and seven-tenths percent the~~  
4 28 ~~applicable employee percentage~~ of the covered wages  
4 29 paid by the employer, until the member's termination  
4 30 from employment. The contributions of the employer  
4 31 shall be in the amount of ~~five and seventy-five~~  
4 32 ~~hundredths percent the applicable employer percentage~~  
4 33 of the covered wages of the member.

4 34 2. For purposes of this section, the "applicable  
4 35 employee percentage" is as follows:

4 36 a. Prior to July 1, 2005, three and seven-tenths  
4 37 percent.

4 38 b. Beginning on or after July 1, 2005, four and  
4 39 one-tenths percent.

4 40 3. For purposes of this section, the "applicable  
4 41 employer percentage" is as follows:

4 42 a. Prior to July 1, 2005, five and seventy-five  
4 43 hundredths percent.

4 44 b. Beginning on or after July 1, 2005, six and  
4 45 thirty-five hundredths percent.

4 46 Sec. 15. Section 97B.14A, Code Supplement 2003, is  
4 47 amended to read as follows:

4 48 97B.14A WAGE REPORTING.

4 49 1. For purposes of this section, unless the  
4 50 context otherwise requires:

5 1 a. "Change in the schedule of wage payments" means  
5 2 the formal or informal deferral of wages earned in one  
5 3 calendar year to a later calendar year or the  
5 4 acceleration of the wages payable under a contract of  
5 5 employment to the prior calendar year by changing the  
5 6 period over which the contractual compensation is  
5 7 paid, by shortening the period of employment over  
5 8 which contract wages are to be paid, or similar  
5 9 arrangements altering the timing of wage payments.

5 10 b. "Distortion of the normal wage progression  
5 11 pattern" means an increase of ten percent or more  
5 12 between the covered wages reported for any two  
5 13 consecutive years.

5 14 2. An employer shall report wages of employees  
5 15 covered by this chapter to the system in a manner and  
5 16 form as prescribed by the system. If the wages  
5 17 reported by an employer appear to be a distortion of  
5 18 the normal wage progression pattern for an employee,  
5 19 the system may request that the employer provide  
5 20 documentation indicating that the wages were not  
5 21 misreported for the purposes of causing an increase in  
5 22 the retirement allowance or other payments authorized  
5 23 to be made by this chapter explaining the reason for  
5 24 the distortion. If the system determines that the  
5 25 wages of an employee were misreported, the employer  
5 26 shall prepare and file wage adjustments allocating the  
5 27 wages to the proper wage reporting period. If the  
5 28 distortion of the normal wage progression pattern  
5 29 results from covering compensation that is excluded  
5 30 from the definition of covered wages, or from a change  
5 31 in the schedule of wage payments for an individual,  
5 32 the system shall remove wages that should not be  
5 33 covered from its records, and shall, in cases  
5 34 involving increases caused by a change in the schedule  
5 35 of wage payments, reallocate covered wages to the  
5 36 calendar quarters in which the covered wages would  
5 37 have been reported but for the change in the schedule

5 38 of wage payments.

5 39 Sec. 16. Section 97B.17, subsection 1, Code  
5 40 Supplement 2003, is amended to read as follows:  
5 41 1. The system shall establish and maintain records  
5 42 of each member, including but not limited to the  
5 43 amount of wages of each member, the ~~contribution~~  
5 44 ~~contributions made on behalf of~~ each member with  
5 45 ~~interest, and interest dividends credited, beneficiary~~  
5 46 ~~designations, and applications for benefits of any~~  
5 47 ~~type~~. The records may be maintained in paper,  
5 48 magnetic, or electronic form, including optical disk  
5 49 storage, ~~as set forth in chapter 554D. The system may~~  
5 50 ~~accept, but shall not require, electronic records and~~

6 1 ~~electronic signatures to the extent permitted under~~  
6 2 ~~chapter 554D. These records are the basis for the~~  
6 3 ~~compilation of the retirement benefits provided under~~  
6 4 ~~this chapter.~~

6 5 Sec. 17. Section 97B.38, Code Supplement 2003, is  
6 6 amended to read as follows:

6 7 97B.38 FEES FOR SERVICES.

6 8 The system may, by rule, prescribe ~~the maximum~~  
6 9 ~~reasonable~~ fees which may be charged for ~~services~~  
6 10 ~~performed in connection with any claim before the~~  
6 11 ~~system under this chapter, and any agreement in~~  
6 12 ~~violation of such rules shall be void production~~  
6 13 ~~costs, including staff time and materials, associated~~  
6 14 ~~with performing its duties under this chapter for~~  
6 15 ~~active, inactive, and retired members, beneficiaries,~~  
6 16 ~~and the general public, where such production costs~~  
6 17 ~~are more than de minimis, as determined by the system.~~

6 18 ~~Any person who shall, with intent to defraud, in any~~  
6 19 ~~manner willfully and knowingly deceive, mislead, or~~  
6 20 ~~threaten any claimant or prospective claimant or~~  
6 21 ~~beneficiary under this chapter by word, circular,~~  
6 22 ~~letter or advertisement, or who shall knowingly charge~~  
6 23 ~~or collect directly or indirectly any fee in excess of~~  
6 24 ~~the maximum fee, or make any agreement directly or~~  
6 25 ~~indirectly to charge or collect any fee in excess of~~  
6 26 ~~the maximum fee, prescribed by the system, shall be~~  
6 27 ~~deemed guilty of a fraudulent practice.~~

6 28 Sec. 18. Section 97B.40, Code Supplement 2003, is  
6 29 amended by adding the following new subsection:

6 30 NEW SUBSECTION. 1A. If the system determines that  
6 31 a person may have engaged in a fraudulent practice as  
6 32 described under this section, the system may, in  
6 33 addition to any statutory or equitable remedies  
6 34 provided by law, refer the matter to the auditor of  
6 35 state and to the appropriate law enforcement  
6 36 authorities for possible investigation and  
6 37 prosecution.

6 38 Sec. 19. Section 97B.42, unnumbered paragraph 8,  
6 39 Code Supplement 2003, is amended by striking the  
6 40 unnumbered paragraph and inserting in lieu thereof the  
6 41 following:

6 42 Except as otherwise provided in this section, an  
6 43 employer shall not sponsor and a member shall not  
6 44 participate in another retirement system in this state  
6 45 supported in whole or in part by public contributions  
6 46 or payments where such retirement system is in lieu of  
6 47 the retirement system established by this chapter.

6 48 However, in addition to the retirement system  
6 49 established by this chapter, an employer may sponsor  
6 50 and a member may participate in a supplemental defined  
7 1 contribution plan qualified under Internal Revenue  
7 2 Code section 401(a), a tax-deferred annuity qualified  
7 3 under Internal Revenue Code section 403(b), or an  
7 4 eligible deferred compensation plan qualified under  
7 5 Internal Revenue Code section 457, regardless of  
7 6 whether contributions to such supplemental plans are  
7 7 characterized as employer contributions or employee  
7 8 contributions, and subject to the applicable limits  
7 9 set forth in the Internal Revenue Code for such plans.  
7 10 A defined benefit plan that supplements the retirement  
7 11 system established by this chapter shall not be  
7 12 offered by public employers covered under this  
7 13 chapter.

7 14 Sec. 20. Section 97B.42A, subsection 4, Code  
7 15 Supplement 2003, is amended to read as follows:

7 16 4. A person who becomes a member of the retirement  
7 17 system pursuant to subsection 3, or who is a member of  
7 18 the retirement system, and who has one or more years

7 19 of covered wages, may purchase credit, pursuant to  
7 20 section 97B.73, Code 2003, for one or more quarters of  
7 21 service prior to January 1, 1999, in which the person  
7 22 was employed in a position as described in section  
7 23 97B.1A, subsection 8, paragraph "a", but was not a  
7 24 member of the retirement system.

7 25 Sec. 21. Section 97B.42A, subsection 5, unnumbered  
7 26 paragraph 2, Code Supplement 2003, is amended to read  
7 27 as follows:

7 28 A person who becomes a member of the Iowa public  
7 29 employees' retirement system pursuant to this  
7 30 subsection, and who has one or more years of covered  
7 31 wages, may purchase credit, pursuant to section  
7 32 97B.73, Code 2003, for one or more quarters of service  
7 33 prior to August 1, 2000, in which the person was  
7 34 employed in a position as described by section 97B.1A,  
7 35 subsection 8, paragraph "a", subparagraph (11), but  
7 36 was not a member of the retirement system.

7 37 Sec. 22. Section 97B.43, unnumbered paragraph 3,  
7 38 Code Supplement 2003, is amended to read as follows:

7 39 Each individual who on or after July 1, 1978, was  
7 40 an active, vested, or retired member and who (1) made  
7 41 application for and received a refund of contributions  
7 42 made under the abolished system or (2) has on deposit  
7 43 with the retirement fund contributions made under the  
7 44 abolished system shall be entitled to credit for years  
7 45 of prior service in the determination of retirement  
7 46 allowance payments by filing a written election with  
7 47 the system on or after July 1, 1978, and by  
7 48 redepositing any withdrawn contributions under the  
7 49 abolished system together with interest as stated in  
7 50 this paragraph. Any individual who on or after July  
8 1 1, 1978, is a retired member and who made application  
8 2 for and received a refund of contributions made under  
8 3 the abolished system may, by filing a written election  
8 4 with the system on or after July 1, 1978, have the  
8 5 system retain fifty percent of the monthly increase in  
8 6 retiree benefits that will accrue to the individual  
8 7 because of prior service. If the monthly increase in  
8 8 retirement benefits is less than ten dollars, the  
8 9 system shall retain five dollars of the scheduled  
8 10 increase, and if the monthly increase is less than  
8 11 five dollars, the provisions of this paragraph shall  
8 12 not apply. The system shall continue to retain such  
8 13 funds until the withdrawn contributions, together with  
8 14 interest accrued to the month in which the written  
8 15 election is filed, have been repaid. Due notice of  
8 16 this provision shall be sent to all retired members on  
8 17 or after July 1, 1978. However, this paragraph shall  
8 18 not apply to any person who received a refund of any  
8 19 membership service contributions unless the person  
8 20 repaid the membership service contributions pursuant  
8 21 to section ~~97B.74~~ 97B.80C; but a refund of  
8 22 contributions remitted for the calendar quarter ending  
8 23 September 30, 1953 which was based entirely upon  
8 24 employment which terminated prior to July 4, 1953  
8 25 shall not be considered as a refund of membership  
8 26 service contributions. The interest to be paid into  
8 27 the fund shall be compounded at the rates credited to  
8 28 member accounts from the date of payment of the refund  
8 29 of contributions under the abolished system to the  
8 30 date the member redeposits the refunded amount. The  
8 31 provisions of the first paragraph of this section  
8 32 relating to the consideration given to credited  
8 33 amounts shall apply to the redeposited amounts or to  
8 34 amounts left on deposit. Effective July 1, 1978, the  
8 35 provisions of this paragraph shall apply to each  
8 36 individual who on or after July 1, 1978, was an  
8 37 active, vested, or retired member, but who was not in  
8 38 service on July 4, 1953. The period for filing the  
8 39 written election with the system and redepositing any  
8 40 withdrawn contributions together with interest accrued  
8 41 shall commence July 1, 1978. A member who is a  
8 42 retired member on or after July 1, 1978, may file  
8 43 written election with the system on or after July 1,  
8 44 1978, to have the system retain fifty percent of the  
8 45 monthly increase as provided in this paragraph.

8 46 Sec. 23. Section 97B.43, unnumbered paragraph 4,  
8 47 Code Supplement 2003, is amended to read as follows:

8 48 Effective July 1, ~~1988~~ 2004, a member eligible for  
8 49 an increased retirement allowance because of the

8 50 repayment of contributions under this section is  
9 1 entitled to receipt of ~~retroactive~~ adjustment payments  
9 2 for no more than six months immediately preceding  
9 3 ~~beginning with the month in which written notice~~  
9 4 ~~payment was submitted to received by the system.~~  
9 5 Sec. 24. Section 97B.45, unnumbered paragraph 2,  
9 6 Code Supplement 2003, is amended by striking the  
9 7 unnumbered paragraph.  
9 8 Sec. 25. Section 97B.46, subsection 2, Code  
9 9 Supplement 2003, is amended to read as follows:  
9 10 2. A member remaining in service after attaining  
9 11 the age of seventy years is entitled to receive a  
9 12 retirement allowance under sections 97B.49A through  
9 13 97B.49H, as applicable, ~~commencing with payment for~~  
~~9 14 the calendar month within which the written notice is~~  
~~9 15 submitted to the system, except that if the member~~  
~~9 16 fails to submit the notice on a timely basis,~~  
~~9 17 retroactive payments shall be made for no more than~~  
~~9 18 six months immediately preceding the month in which~~  
~~9 19 the written notice is submitted without terminating~~  
9 20 employment.  
9 21 Sec. 26. Section 97B.47, Code Supplement 2003, is  
9 22 amended to read as follows:  
9 23 97B.47 EARLY RETIREMENT DATE.  
9 24 A member's early retirement date shall be the first  
9 25 of the month in which a member attains the age of  
9 26 fifty-five years or the first of any month after  
9 27 attaining the age of fifty-five years prior to the  
9 28 member's normal retirement date, provided such date  
9 29 shall be after the last day of service. ~~A member may~~  
~~9 30 retire on the member's early retirement date by~~  
~~9 31 submitting written notice to the system setting forth~~  
~~9 32 the early retirement date which shall not be before~~  
~~9 33 the first day of the sixth calendar month preceding~~  
~~9 34 the month in which such notice is filed.~~  
9 35 Sec. 27. Section 97B.48, subsections 1 and 2, Code  
9 36 Supplement 2003, are amended to read as follows:  
9 37 1. Retirement allowances shall be paid monthly,  
9 38 except that, ~~if an allowance of less than six hundred~~  
9 39 ~~dollars a year may, at the member's option is payable~~  
9 40 pursuant to section 97B.51, subsection 1, paragraph  
9 41 "b", the member's retirement benefit shall be paid as  
9 42 a lump sum in an amount equal to the sum of the  
9 43 member's and employer's accumulated contributions and  
9 44 the retirement dividends standing to the member's  
9 45 credit before December 31, 1966. Receipt of the lump  
9 46 sum payment by a member shall terminate any and all  
9 47 entitlement for the period of service covered of the  
9 48 member under this chapter and the member shall not be  
9 49 eligible to buy back the period of service.  
9 50 2. The first monthly payment of a ~~normal~~  
10 1 retirement allowance shall be paid as of the ~~normal~~  
~~10 2 retirement effective date, which date shall be the~~  
~~10 3 later of the normal retirement date or the first day~~  
~~10 4 of the sixth calendar month preceding the month in~~  
~~10 5 which written notice of normal retirement is submitted~~  
~~10 6 to the system member's first month of entitlement.~~  
10 7 ~~Written notice under this section may consist of~~  
~~10 8 submission of a completed estimate request form, a~~  
~~10 9 completed application for retirement form, or a letter~~  
~~10 10 from the member requesting information on retirement~~  
~~10 11 benefits, whichever is received first by the system.~~  
~~10 12 However, a letter requesting information on benefits~~  
~~10 13 or submission of a completed estimate request form is~~  
~~10 14 only valid for six months following the date of its~~  
~~10 15 receipt by the system, unless during that six-month~~  
~~10 16 period the system receives a completed application for~~  
~~10 17 retirement form from the member. A retirement~~  
~~10 18 allowance may only be provided retroactively for a~~  
~~10 19 single six-month period. Payment of an early~~  
~~10 20 retirement allowance or an allowance for retirement~~  
~~10 21 after the normal retirement date shall be paid as of~~  
~~10 22 the effective date of retirement subject to section~~  
~~10 23 97B.45, 97B.46, or 97B.47. The payments shall be~~  
10 24 continued thereafter for the lifetime of the retired  
10 25 member except as provided in section 97B.48A.  
10 26 Sec. 28. Section 97B.48, subsection 5, Code  
10 27 Supplement 2003, is amended by striking the  
10 28 subsection.  
10 29 Sec. 29. Section 97B.48, Code Supplement 2003, is  
10 30 amended by adding the following new subsections:

10 31 NEW SUBSECTION. 6. Effective on such date as the  
10 32 system determines by rule, but in no event later than  
10 33 July 1, 2006, if the system determines that the  
10 34 accumulated contributions of a member, payable to a  
10 35 living member who has had a break in service or to a  
10 36 beneficiary of a deceased member, are less than three  
10 37 thousand dollars, the lump sum amount payable under  
10 38 this chapter shall be paid to the living member or  
10 39 beneficiary in full satisfaction of all rights of the  
10 40 member or beneficiary to receive any payments under  
10 41 the system. For purposes of this section, a "break in  
10 42 service" means twenty consecutive calendar quarters in  
10 43 which no wages are reported to the system. The lump  
10 44 sum payment shall be made within one hundred eighty  
10 45 days after the calendar quarter in which the member  
10 46 completes a break in service or dies, whichever is  
10 47 applicable. A member or beneficiary who receives a  
10 48 mandatory distribution under this subsection shall  
10 49 have sixty days to return the distribution to the  
10 50 system and restore the member's or beneficiary's  
11 1 account.

11 2 NEW SUBSECTION. 7. Effective July 1, 2005,  
11 3 monthly retirement allowance payments shall be  
11 4 directly deposited without charge to a retired  
11 5 member's account via electronic funds transfer. A  
11 6 retired member may elect to receive monthly allowance  
11 7 payments as paper warrants in lieu of electronic funds  
11 8 transfers, but the system shall charge an  
11 9 administrative fee for processing such paper warrants.  
11 10 However, the system may, for good cause shown, waive  
11 11 the administrative fee. The fee may be automatically  
11 12 deducted from the monthly retirement allowance before  
11 13 the warrant is issued to the retired member.

11 14 Sec. 30. Section 97B.48A, Code Supplement 2003, is  
11 15 amended by adding the following new subsection:

11 16 NEW SUBSECTION. 5. If a retired reemployed member  
11 17 incurs a break in service, as defined in this  
11 18 subsection, and the member has failed to request an  
11 19 increase in the member's monthly allowance or a  
11 20 distribution of the member's and employer's  
11 21 accumulated contributions prior to the break in  
11 22 service, and if the amount of the increase in the  
11 23 member's monthly retirement allowance would be less  
11 24 than six hundred dollars per year, the system shall  
11 25 distribute the lump sum amount payable under  
11 26 subsection 4. For purposes of this subsection, a  
11 27 "break in service" means four consecutive calendar  
11 28 quarters in which no wages are reported to the system.  
11 29 The lump sum payment shall be made within one hundred  
11 30 eighty days after the calendar quarter in which the  
11 31 member has a break in service. A member who receives  
11 32 a mandatory distribution under this subsection shall  
11 33 have sixty days to return the distribution to the  
11 34 system and request an increase in the member's monthly  
11 35 allowance.

11 36 Sec. 31. NEW SECTION. 97B.49 DORMANT ACCOUNTS.

11 37 1. In the event that all, or any portion, of a  
11 38 retirement allowance, death benefit, or other  
11 39 distribution payable to a member or a member's  
11 40 designated beneficiary, heirs at law, or estate,  
11 41 remains unpaid solely by reason of the inability of  
11 42 the system to locate the appropriate payee, the amount  
11 43 payable shall not be forfeited but shall be treated as  
11 44 a dormant account after the time for making a claim  
11 45 has run.

11 46 2. A dormant account shall revert to the  
11 47 retirement fund created in section 97B.7. A dormant  
11 48 account shall be non-interest-bearing, and except for  
11 49 keeping a record of such account, the system shall not  
11 50 maintain the account. A member who has a dormant  
12 1 account and returns to covered employment shall have  
12 2 their dormant account reactivated as of the quarter  
12 3 they return to covered employment. If the appropriate  
12 4 payee contacts the system after the amount payable is  
12 5 treated as a dormant account, the appropriate payee  
12 6 may claim such amounts by filing a withdrawal  
12 7 application provided by the system. The system shall  
12 8 have rulemaking authority to adopt rules necessary to  
12 9 implement this section in a just and equitable manner.

12 10 3. The system shall ensure that the payment of a  
12 11 dormant account as provided in this section meets the

12 12 requirements of section 401(a)(9) of the federal  
12 13 Internal Revenue Code.

12 14 Sec. 32. Section 97B.49B, subsection 1, paragraph  
12 15 c, Code Supplement 2003, is amended to read as  
12 16 follows:

12 17 c. "Eligible service" means membership and prior  
12 18 service in a protection occupation. In addition, for  
12 19 a member with membership and prior service in a  
12 20 protection occupation described in paragraph "e",  
12 21 subparagraph (2), eligible service includes membership  
12 22 and prior service as a sheriff, or deputy sheriff, or  
~~12 23 airport fire fighter~~ as defined in section 97B.49C.

12 24 Sec. 33. Section 97B.49B, subsection 1, paragraph  
12 25 e, Code Supplement 2003, is amended by adding the  
12 26 following new subparagraph:

12 27 NEW SUBPARAGRAPH. (8) An airport fire fighter  
12 28 employed by the military division of the department of  
12 29 public defense.

12 30 Sec. 34. Section 97B.49B, subsection 3, paragraph  
12 31 b, Code Supplement 2003, is amended by adding the  
12 32 following new subparagraph:

12 33 NEW SUBPARAGRAPH. (7) For the fiscal year  
12 34 commencing July 1, 2004, and each succeeding fiscal  
12 35 year, there is appropriated from the general fund of  
12 36 the state to the system, from funds not otherwise  
12 37 appropriated, an amount necessary to pay the employer  
12 38 share of the cost of the additional benefits provided  
12 39 to airport fire fighters under this section.

12 40 Sec. 35. Section 97B.49C, subsection 1, paragraph  
12 41 a, Code Supplement 2003, is amended by striking the  
12 42 paragraph.

12 43 Sec. 36. Section 97B.49C, subsection 1, paragraph  
12 44 d, Code Supplement 2003, is amended to read as  
12 45 follows:

12 46 d. "Eligible service" means membership and prior  
12 47 service as ~~an airport fire fighter~~, a sheriff, and  
12 48 deputy sheriff under this section. In addition,  
12 49 eligible service includes membership and prior service  
12 50 as a marshal in a city not covered under chapter 400  
13 1 or a fire fighter or police officer of a city not  
13 2 participating in the retirement systems established in  
13 3 chapter 410 or 411, and as an airport fire fighter  
13 4 prior to July 1, 1994.

13 5 Sec. 37. Section 97B.49C, subsection 2, Code  
13 6 Supplement 2003, is amended to read as follows:

13 7 2. CALCULATION OF MONTHLY ALLOWANCE.

13 8 a. Notwithstanding other provisions of this  
13 9 chapter, a member who retires from employment as a  
13 10 sheriff, deputy sheriff, or airport fire fighter on or  
13 11 after July 1, 1994, and before July 1, 2004, and at  
13 12 the time of retirement is at least fifty-five years of  
13 13 age may elect to receive, in lieu of the receipt of  
13 14 any benefits as calculated pursuant to section 97B.49A  
13 15 or 97B.49D, a monthly retirement allowance equal to  
13 16 one-twelfth of an amount equal to the applicable  
13 17 percentage of the three-year average covered wage as a  
13 18 member who has been employed in eligible service  
13 19 multiplied by a fraction of years of service, with  
13 20 benefits payable during the member's lifetime.

13 21 b. Notwithstanding other provisions of this  
13 22 chapter, a member who retires from employment as a  
13 23 sheriff or deputy sheriff on or after July 1, 2004,  
13 24 and at the time of retirement is either at least  
13 25 fifty-five years of age or is at least fifty years of  
13 26 age with at least twenty-two years of eligible service  
13 27 may elect to receive, in lieu of the receipt of any  
13 28 benefits as calculated pursuant to section 97B.49A or  
13 29 97B.49D, a monthly retirement allowance equal to one-  
13 30 twelfth of an amount equal to the applicable  
13 31 percentage of the three-year average covered wage as a  
13 32 member who has been employed in eligible service  
13 33 multiplied by a fraction of years of service, with  
13 34 benefits payable during the member's lifetime.

13 35 Sec. 38. Section 97B.49C, subsection 3, paragraph  
13 36 a, Code Supplement 2003, is amended to read as  
13 37 follows:

13 38 a. Annually, the system shall actuarially  
13 39 determine the cost of the ~~additional~~ benefits provided  
13 40 for members covered under this section as a percentage  
13 41 of the covered wages of the employees covered by this  
13 42 section. ~~Sixty~~ Fifty percent of the cost shall be

13 43 paid by the employers of employees covered under this  
13 44 section and ~~forty~~ fifty percent of the cost shall be  
13 45 paid by the employees. The employer and employee  
13 46 contributions required under this paragraph are in  
13 47 ~~addition to lieu of~~ the contributions paid under  
13 48 sections 97B.11 and 97B.11A. ~~However, the cost of~~  
~~13 49 including service as an airport fire fighter prior to~~  
~~13 50 July 1, 1994, as eligible service under this section~~  
~~14 1 shall not affect the contribution rates calculated and~~  
~~14 2 paid by the member or the employer under this section.~~

14 3 Sec. 39. Section 97B.49C, subsection 3, paragraph  
14 4 b, Code Supplement 2003, is amended to read as  
14 5 follows:

14 6 b. ~~(1)~~ Annually, during each fiscal year  
14 7 commencing with the fiscal year beginning July 1,  
14 8 1988, each county shall pay to the system the amount  
14 9 necessary to pay the employer share of the cost of the  
14 10 ~~additional~~ benefits provided to sheriffs and deputy  
14 11 sheriffs.

~~14 12 (2) For the fiscal year commencing July 1, 1994,~~  
~~14 13 and each succeeding fiscal year, there is appropriated~~  
~~14 14 from the general fund of the state to the system, from~~  
~~14 15 funds not otherwise appropriated, an amount necessary~~  
~~14 16 to pay the employer share of the cost of the~~  
~~14 17 additional benefits provided to airport fire fighters~~  
~~14 18 under this section.~~

14 19 Sec. 40. Section 97B.50, subsection 2, Code  
14 20 Supplement 2003, is amended to read as follows:

14 21 2. a. A vested member who retires from the  
14 22 retirement system due to disability and commences  
14 23 receiving disability benefits pursuant to the federal  
14 24 Social Security Act, 42 U.S.C. } 423 et seq., and who  
14 25 has not reached the normal retirement date, shall  
14 26 receive benefits as selected under section 97B.51, and  
14 27 shall not have benefits reduced upon retirement as  
14 28 required under subsection 1 regardless of whether the  
14 29 member has completed thirty or more years of  
14 30 membership service. However, the benefits shall be  
14 31 suspended during any period in which the member  
14 32 returns to covered employment. This section takes  
14 33 effect July 1, 1990, for a member meeting the  
14 34 requirements of this paragraph who retired from the  
14 35 retirement system at any time after July 4, 1953.  
14 36 Eligible members retiring on or after July 1, 2000,  
14 37 are entitled to the receipt of retroactive adjustment  
14 38 payments for no more than thirty-six months  
14 39 immediately preceding the month in which written  
14 40 notice of application for retirement due to disability  
14 41 was ~~submitted to received by~~ the system,  
~~14 42 notwithstanding the requirements of subsection 4.~~

14 43 b. A vested member who retires from the retirement  
14 44 system due to disability and commences receiving  
14 45 disability benefits pursuant to the federal Railroad  
14 46 Retirement Act, 45 U.S.C. } 231 et seq., and who has  
14 47 not reached the normal retirement date, shall receive  
14 48 benefits as selected under section 97B.51, and shall  
14 49 not have benefits reduced upon retirement as required  
14 50 under subsection 1 regardless of whether the member  
15 1 has completed thirty or more years of membership  
15 2 service. However, the benefits shall be suspended  
15 3 during any period in which the member returns to  
15 4 covered employment. This section takes effect July 1,  
15 5 1990, for a member meeting the requirements of this  
15 6 paragraph who retired from the retirement system at  
15 7 any time since July 4, 1953. Eligible members  
15 8 retiring on or after July 1, 2000, are entitled to the  
15 9 receipt of retroactive adjustment payments for no more  
15 10 than thirty-six months immediately preceding the month  
15 11 in which written notice of application for retirement  
15 12 due to disability was ~~submitted to received by~~ the  
15 13 system, ~~notwithstanding the requirements of subsection~~  
~~15 14 4.~~

15 15 c. A vested member who terminated service due to a  
15 16 disability, who has been issued payment for a refund  
15 17 pursuant to section 97B.53, and who subsequently  
15 18 commences receiving disability benefits as a result of  
15 19 that disability pursuant to the federal Social  
15 20 Security Act, 42 U.S.C. } 423 et seq. or the federal  
15 21 Railroad Retirement Act, 45 U.S.C. } 231 et seq., may  
15 22 receive credit for membership service for the period  
15 23 covered by the refund payment, upon repayment to the

15 24 system of the actuarial cost of receiving service  
15 25 credit for the period covered by the refund payment,  
15 26 as determined by the system. For purposes of this  
15 27 paragraph, the actuarial cost of the service purchase  
15 28 shall be determined as provided in section ~~97B.74~~  
15 29 97B.80C. The payment to the system as provided in  
15 30 this paragraph shall be made within ninety days after  
15 31 July 1, 2000, or the date federal disability payments  
15 32 commenced, whichever occurs later. For purposes of  
15 33 this paragraph, the date federal disability payments  
15 34 commence shall be the date that the member actually  
15 35 receives the first such payment, regardless of any  
15 36 retroactive payments included in that payment. A  
15 37 member who repurchases service credit under this  
15 38 paragraph and applies for retirement benefits shall  
15 39 have the member's monthly allowance, including  
15 40 retroactive adjustment payments, determined in the  
15 41 same manner as provided in paragraph "a" or "b", as  
15 42 applicable. ~~This paragraph shall not be implemented~~  
~~15 43 until the system has received a determination letter~~  
~~15 44 from the federal internal revenue service approving~~  
~~15 45 the system's plan's qualified status under Internal~~  
~~15 46 Revenue Code section 401(a).~~  
15 47 Sec. 41. Section 97B.50, subsection 4, Code  
15 48 Supplement 2003, is amended by striking the  
15 49 subsection.  
15 50 Sec. 42. Section 97B.50A, subsection 5, Code  
16 1 Supplement 2003, is amended to read as follows:  
16 2 5. OFFSET TO ALLOWANCE. Notwithstanding any  
16 3 provisions to the contrary in state law, or any  
16 4 applicable contract or policy, any amounts which may  
16 5 be paid or payable by the employer under any workers'  
16 6 compensation, unemployment compensation, employer-paid  
16 7 disability plan, program, or policy, or other law to a  
16 8 member, and any disability payments the member  
16 9 receives pursuant to the federal Social Security Act,  
16 10 42 U.S.C. } 423 et seq., shall be offset against and  
16 11 payable in lieu of any retirement allowance payable  
16 12 pursuant to this section on account of the same  
16 13 disability.  
16 14 Sec. 43. Section 97B.52, subsection 1, unnumbered  
16 15 paragraph 1, Code Supplement 2003, is amended to read  
16 16 as follows:  
16 17 If a inactive member, with at least sixteen  
16 18 calendar quarters of service credit, or any active  
16 19 member dies prior to the member's first month of  
16 20 entitlement, the member's beneficiary shall be  
16 21 entitled to receive a death benefit equal to the  
16 22 greater of the amount provided in paragraph "a" or  
16 23 "b". If an inactive member with less than sixteen  
16 24 calendar quarters of service credit dies prior to the  
16 25 member's first month of entitlement, the member's  
16 26 beneficiary shall only be entitled to receive a death  
16 27 benefit, as a lump sum, equal to the amount provided  
16 28 in paragraph "a".  
16 29 Sec. 44. Section 97B.52, subsection 1, paragraph  
16 30 a, subparagraph (3), Code Supplement 2003, is amended  
16 31 to read as follows:  
16 32 (3) For service as a sheriff, or deputy sheriff,  
16 33 or airport fire fighter, as provided in section  
16 34 97B.49C, the applicable denominator is twenty=two.  
16 35 Sec. 45. Section 97B.52, subsection 5, unnumbered  
16 36 paragraph 3, Code Supplement 2003, is amended by  
16 37 striking the unnumbered paragraph.  
16 38 Sec. 46. Section 97B.52, subsection 7, Code  
16 39 Supplement 2003, is amended to read as follows:  
16 40 7. If a member has not filed a designation of  
16 41 beneficiary with the system, the death benefit is  
16 42 payable to the member's estate. If no designation has  
16 43 been filed and an estate is not probated, the death  
16 44 benefit shall be paid to the surviving spouse, if any.  
16 45 If no designation has been filed, no estate has been  
16 46 probated, and there is no surviving spouse, the death  
16 47 benefit shall be paid to the heirs as provided in this  
16 48 subsection. The system shall pay the full amount of a  
16 49 member's death benefits to those heirs who have  
16 50 presented a claim for such benefits within five years  
17 1 after the member's date of death. The system is not  
17 2 liable for the payment of any claims by heirs who make  
17 3 themselves known to the system more than five years  
17 4 after the date of death of the member. Otherwise If a

17 5 death benefit is not paid as provided by this  
17 6 subsection, the death benefit shall remain in the  
17 7 fund.

17 8 Sec. 47. Section 97B.52A, subsection 1, paragraph  
17 9 c, Code Supplement 2003, is amended to read as  
17 10 follows:

17 11 c. For a member whose first month of entitlement  
17 12 is July 2000 or later, the member does not return to  
17 13 any employment with a covered employer until the  
17 14 member has qualified for at least one calendar month  
17 15 of retirement benefits, and the member does not return  
17 16 to covered employment until the member has qualified  
17 17 for no fewer than four calendar months of retirement  
17 18 benefits. For purposes of this paragraph, effective  
17 19 July 1, 2000, any employment with a covered employer  
17 20 does not include employment as an elective official or  
17 21 member of the general assembly if the member is not  
17 22 covered under this chapter for that employment. For  
17 23 purposes of determining a bona fide retirement under  
17 24 this paragraph and for a member whose first month of  
17 25 entitlement is July 2004 or later, but before July  
17 26 2006, covered employment does not include employment  
17 27 as a licensed health care professional by a public  
17 28 hospital as defined in section 249I.3.

17 29 Sec. 48. Section 97B.53, subsection 4, Code  
17 30 Supplement 2003, is amended to read as follows:

17 31 4. A member has not terminated employment for  
17 32 purposes of this section if the member ~~accepts~~  
17 33 ~~commences~~ other covered employment within thirty days  
17 34 after ~~receiving the last payment of wages for the date~~  
17 35 ~~employment was terminated with a covered employment~~  
17 36 ~~employer~~, or if the member begins covered employment  
17 37 prior to filing a request for a refund with the  
17 38 system.

17 39 Sec. 49. Section 97B.53B, subsection 1, paragraph  
17 40 c, subparagraph (2), subparagraph subdivision (c),  
17 41 Code Supplement 2003, is amended to read as follows:

17 42 (c) ~~The Prior to January 1, 2002, the~~ portion of  
17 43 any distribution that is not includible in the gross  
17 44 income of the distributee, determined without regard  
17 45 to the exclusion for net unrealized appreciation with  
17 46 respect to employer securities.

17 47 Sec. 50. Section 97B.73B, subsection 2, paragraph  
17 48 b, Code Supplement 2003, is amended to read as  
17 49 follows:

17 50 b. For a purchase of membership service on or  
18 1 after July 1, 2002, the actuarial cost of the service  
18 2 purchase in a manner as provided in section ~~97B.73~~  
18 3 ~~97B.80C~~.

18 4 Sec. 51. Section 97B.73B, subsection 2, Code  
18 5 Supplement 2003, is amended by adding the following  
18 6 new paragraph:

18 7 NEW PARAGRAPH. c. Effective July 1, 2004, a  
18 8 member eligible for an increased retirement allowance  
18 9 because of the payment of contributions under this  
18 10 section is entitled to adjusted payments beginning  
18 11 with the month in which the member pays contributions  
18 12 under this section.

18 13 Sec. 52. Section 97B.80, subsection 3, Code  
18 14 Supplement 2003, is amended to read as follows:

18 15 3. ~~The system shall adjust benefits for a six-~~  
18 16 ~~month period prior to the date the member pays~~  
18 17 ~~contributions under this section if the member is~~  
18 18 ~~receiving a retirement allowance at the time the~~  
18 19 ~~contribution payment is made.~~ Verification of active  
18 20 duty service and payment of contributions shall be  
18 21 made to the system. However, a member is not eligible  
18 22 to make contributions under this section if the member  
18 23 is receiving, is eligible to receive, or may in the  
18 24 future be eligible to receive retirement pay from the  
18 25 United States government for active duty in the armed  
18 26 forces, except for retirement pay granted by the  
18 27 United States government under retired pay for  
18 28 nonregular service pursuant to 10 U.S.C. } 12731==  
18 29 12739. A member receiving retired pay for nonregular  
18 30 service who makes contributions under this section  
18 31 shall provide information required by the system  
18 32 documenting time periods covered under retired pay for  
18 33 nonregular service.

18 34 Sec. 53. Section 97B.80, subsection 4, Code  
18 35 Supplement 2003, is amended by striking the subsection

18 36 and inserting in lieu thereof the following:  
18 37 4. Effective July 1, 2004, a member eligible for  
18 38 an increased retirement allowance because of the  
18 39 payment of contributions under this section is  
18 40 entitled to adjusted payments beginning with the month  
18 41 in which the member pays contributions under this  
18 42 section.

18 43 Sec. 54. Section 97B.80C, subsection 1, paragraph  
18 44 a, Code Supplement 2003, is amended to read as  
18 45 follows:

18 46 a. "Nonqualified service" means service that is  
18 47 not qualified service- and includes, but is not  
18 48 limited to, any of the following:

18 49 (1) Full-time volunteer public service in the  
18 50 federal peace corps program.

19 1 (2) Public employment comparable to employment  
19 2 covered under this chapter in a qualified Canadian  
19 3 governmental entity that is an elementary school,  
19 4 secondary school, college, or university that is  
19 5 organized, administered, and primarily supported by  
19 6 the provincial, territorial, or federal governments of  
19 7 Canada, or any combination of the same.

19 8 Sec. 55. Section 97B.80C, subsection 1, paragraph  
19 9 c, subparagraph (1), Code Supplement 2003, is amended  
19 10 by adding the following new subparagraph subdivisions:

19 11 NEW SUBPARAGRAPH SUBDIVISION. (e) Service as a  
19 12 member of the general assembly.

19 13 NEW SUBPARAGRAPH SUBDIVISION. (f) Previous  
19 14 service as a county attorney by a part-time county  
19 15 attorney.

19 16 NEW SUBPARAGRAPH SUBDIVISION. (g) Service in  
19 17 public employment comparable to employment covered  
19 18 under this chapter in another state or in the federal  
19 19 government, or service as a member of another public  
19 20 retirement system in this state, including but not  
19 21 limited to the teachers insurance and annuity  
19 22 association-college retirement equities fund (TIAA=  
19 23 CREF), if the member was not retired under that system  
19 24 and has no further claim upon a retirement benefit  
19 25 from that other public system.

19 26 NEW SUBPARAGRAPH SUBDIVISION. (h) Service as a  
19 27 member of the retirement system at any time on or  
19 28 after July 4, 1953, if the member received a refund of  
19 29 the member's accumulated contributions for that period  
19 30 of membership service.

19 31 NEW SUBPARAGRAPH SUBDIVISION. (i) An approved  
19 32 leave of absence which does not constitute service as  
19 33 defined in section 97B.1A, which is granted on or  
19 34 after July 1, 1998.

19 35 NEW SUBPARAGRAPH SUBDIVISION. (j) Employment of a  
19 36 person who at the time of the employment was not  
19 37 covered by this chapter, was employed by a covered  
19 38 employer under this chapter, and did not opt out of  
19 39 coverage under this chapter.

19 40 NEW SUBPARAGRAPH SUBDIVISION. (k) Employment of a  
19 41 person as an adjunct instructor as defined in section  
19 42 97B.1A, subsection 8.

19 43 Sec. 56. Section 97B.80C, subsection 3, Code  
19 44 Supplement 2003, is amended to read as follows:

19 45 3. a. A member making contributions for a  
19 46 purchase of permissive service credit under this  
19 47 section, except as otherwise provided by this  
19 48 subsection, shall make contributions in an amount  
19 49 equal to the actuarial cost of the permissive service  
19 50 credit purchase. ~~For purposes of this subsection, the~~  
20 1 ~~actuarial cost of the service purchase is an amount~~  
20 2 ~~determined by the system in accordance with actuarial~~  
20 3 ~~tables, as reported to the system by the system's~~  
20 4 ~~actuary, which reflects the actuarial cost necessary~~  
20 5 ~~to fund an increased retirement allowance resulting~~  
20 6 ~~from the purchase of permissive service credit.~~

20 7 b. For a member making contributions for a  
20 8 purchase of permissive service credit for qualified  
20 9 service as described in subsection 1, paragraph "c",  
20 10 subparagraph (1), subparagraph subdivision (e), under  
20 11 this section, the member shall make contributions in  
20 12 an amount equal to forty percent of the actuarial cost  
20 13 of the service purchase. There is appropriated from  
20 14 the general fund of the state to the system an amount  
20 15 sufficient to pay sixty percent of the actuarial cost  
20 16 of the service purchase by a member pursuant to this

20 17 paragraph.

20 18 c. For a member making contributions for a  
20 19 purchase of permissive service credit for qualified  
20 20 service as described in subsection 1, paragraph "c",  
20 21 subparagraph (1), subparagraph subdivision (f), under  
20 22 this section, the member shall make contributions in  
20 23 an amount equal to forty percent of the actuarial cost  
20 24 of the service purchase. Upon notification of the  
20 25 applicable county board of supervisors of the member's  
20 26 election, the county board of supervisors shall pay to  
20 27 the system an amount sufficient to pay sixty percent  
20 28 of the actuarial cost of the service purchase by a  
20 29 member pursuant to this paragraph.

20 30 d. For purposes of this subsection, the actuarial  
20 31 cost of the service purchase is an amount determined  
20 32 by the system in accordance with actuarial tables, as  
20 33 reported to the system by the system's actuary, which  
20 34 reflects the actuarial cost necessary to fund an  
20 35 increased retirement allowance resulting from the  
20 36 purchase of permissive service credit.

20 37 Sec. 57. Section 97B.80C, Code Supplement 2003, is  
20 38 amended by adding the following new subsections:

20 39 NEW SUBSECTION. 3A. Effective July 1, 2004, a  
20 40 member eligible for an increased retirement allowance  
20 41 because of the payment of contributions under this or  
20 42 any other section providing for the purchase of  
20 43 service credit is entitled to adjusted payments  
20 44 beginning with the month in which the member pays  
20 45 contributions under the applicable section.

20 46 NEW SUBSECTION. 3B. Effective July 1, 2004, a  
20 47 purchase of service made in accordance with this or  
20 48 any other section providing for the purchase of  
20 49 service credit by a retired reemployed member shall be  
20 50 applied to the member's original retirement allowance.  
21 1 The member is eligible to receive adjustment payments  
21 2 beginning with the month of the purchase.

21 3 NEW SUBSECTION. 3C. A member who is entitled to a  
21 4 benefit from another public retirement system and  
21 5 wishes to purchase the service covered by that public  
21 6 retirement system must waive, on a form provided by  
21 7 the Iowa public employees' retirement system, all  
21 8 rights to a retirement benefit under that other public  
21 9 system before purchasing credit in this system for the  
21 10 period of service covered by that other public system.  
21 11 The waiver must be accepted by the other public  
21 12 system. If the waiver is not obtained, a member may  
21 13 buy up to twenty quarters of such service credit. In  
21 14 no event can a member receive more than one service  
21 15 credit for any given calendar quarter.

21 16 Sec. 58. Section 411.6, subsection 7, paragraph c,  
21 17 Code 2003, is amended to read as follows:

21 18 c. Should a disability beneficiary under age  
21 19 fifty-five be employed in a public safety occupation,  
21 20 the disability beneficiary's retirement allowance  
21 21 shall cease. Notwithstanding any provision of this  
21 22 chapter to the contrary, if a disability beneficiary  
21 23 is employed in a public safety occupation that would  
21 24 otherwise constitute membership service, the  
21 25 disability beneficiary shall not become a member of  
21 26 the system. For purposes of this paragraph, "public  
21 27 safety occupation" means a peace officer, as defined  
21 28 in section 97A.1; a protection occupation, as defined  
21 29 in section 97B.49B; a sheriff, ~~or deputy sheriff, or~~  
21 30 ~~airport fire fighter,~~ as defined in section 97B.49C;  
21 31 and a police officer or fire fighter as defined in  
21 32 section 411.1, who was not restored to active service  
21 33 as provided by this subsection.

21 34 Sec. 59. Section 724.6, subsection 2, Code 2003,  
21 35 is amended to read as follows:

21 36 2. Notwithstanding subsection 1, fire fighters, as  
21 37 defined in section 411.1, subsection 9, airport fire  
21 38 fighters included under section ~~97B.49C~~ 97B.49B,  
21 39 emergency rescue technicians, and emergency medical  
21 40 care providers, as defined in section 147A.1, shall  
21 41 not, as a condition of employment, be required to  
21 42 obtain a permit under this section. However, the  
21 43 provisions of this subsection shall not apply to a  
21 44 person designated as an arson investigator by the  
21 45 chief fire officer of a political subdivision.

21 46 Sec. 60. 2002 Iowa Acts, chapter 1135, section 36,  
21 47 subsections 1 and 3, are amended to read as follows:

21 48 1. a. Notwithstanding any provision of chapter  
21 49 97B to the contrary, a member of the Iowa public  
21 50 employees' retirement system who has an employer=  
22 1 mandated reduction in hours or an employee=exercised  
22 2 reduction in pay but remains on the employer's  
22 3 payroll, and who would receive a reduction in the  
22 4 member's three-year average covered wage as a result  
22 5 of the reduction in hours or pay, may have the  
22 6 member's retirement allowance calculated based on the  
22 7 three-year average covered wage the member would have  
22 8 received, based on reasonable assumptions, if the  
22 9 member had not been subject to the employer=mandated  
22 10 reduction in hours or employee=exercised reduction in  
22 11 pay, upon payment by the member of the applicable  
22 12 contribution amount.

22 13 b. For purposes of this section, ~~the applicable~~  
22 14 ~~unless the context otherwise requires:~~  
22 15 (1) "Applicable contribution amount amount" is an  
22 16 amount equal to the employee and employer  
22 17 contributions that would have been paid to the system  
22 18 based on the wages that the member would have received  
22 19 but for the employer=mandated reduction in hours or  
22 20 employee=exercised reduction in pay and would have  
22 21 been included in the member's three-year average  
22 22 covered wage.

22 23 (2) "Employee=exercised reduction in pay" means a  
22 24 reduction in pay of a member who has exercised bumping  
22 25 rights by accepting a lower=paid position in order to  
22 26 avoid being laid off by the employer.

22 27 3. This section shall apply to employer=mandated  
22 28 reductions in hours or employee=exercised reductions  
22 29 in pay during the period of time beginning on or after  
22 30 January 1, 2002, and ending no later than June 30,  
22 31 ~~2003~~ 2005. The system is authorized to adopt such  
22 32 rules, including emergency rules, as it deems  
22 33 necessary or prudent to implement this section.

22 34 Sec. 61. Sections 97B.72, 97B.72A, 97B.73,  
22 35 97B.73A, 97B.74, 97B.75, 97B.80A, 97B.80B, and 97B.81,  
22 36 Code Supplement 2003, are repealed.

22 37 Sec. 62. FAVORABLE EXPERIENCE DIVIDEND RESERVE  
22 38 ACCOUNT == DEPOSIT OF INVESTMENT RETURN.  
22 39 Notwithstanding any provision of chapter 97B to the  
22 40 contrary, the Iowa public employees' retirement system  
22 41 shall have the authority to credit the lesser of the  
22 42 system's actuarial interest rate assumption or the  
22 43 system's actual investment return to the favorable  
22 44 experience dividend reserve account created in section  
22 45 97B.49F. This authority applies to the fiscal year  
22 46 beginning July 1, 2003, and ending June 30, 2004.

22 47 Sec. 63. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
22 48 == PENSION FLEXIBILITY STUDY == REPORT.

22 49 1. The Iowa public employees' retirement system  
22 50 (IPERS) shall conduct a study to consider various  
23 1 options to provide persons covered under the Iowa  
23 2 public employees' retirement system additional  
23 3 flexibility in plan design with features incorporating  
23 4 aspects of defined contribution type vehicles. In  
23 5 conducting its study, IPERS shall consider, among  
23 6 other ideas, the following:

23 7 a. Ways in which IPERS can assist employers in  
23 8 expanding existing supplemental plans offered by  
23 9 public employers.

23 10 b. Ways in which IPERS could offer its own defined  
23 11 contribution type supplementary plan vehicle to  
23 12 complement its core defined benefit plan including,  
23 13 but not limited to, defined contribution type plans  
23 14 that might provide a cost of living or favorable  
23 15 experience dividend benefit to members.

23 16 c. Various hybrid plan designs incorporating  
23 17 features of both defined benefit and defined  
23 18 contribution plan vehicles, including, but not limited  
23 19 to, an integrated defined benefit and defined  
23 20 contribution plan, a floor=offset plan, or a pension  
23 21 equity plan.

23 22 2. In performing the study required by this  
23 23 section, IPERS shall work closely with the system's  
23 24 benefits advisory committee and, through quarterly  
23 25 reports, regularly update the public retirement  
23 26 systems committee established by section 97D.4. On or  
23 27 before September 1, 2005, the Iowa public employees'  
23 28 retirement system shall file a report with the

23 29 legislative services agency for distribution to the  
23 30 public retirement systems committee, which report  
23 31 shall contain its findings and recommendations,  
23 32 including any proposal or proposals regarding adding  
23 33 additional flexibility in IPERS' plan design with  
23 34 features incorporating aspects of defined contribution  
23 35 type vehicles.

23 36 Sec. 64. PROTECTION OCCUPATION MEMBERSHIP STUDY.  
23 37 The Iowa public employees' retirement system (IPERS),  
23 38 in consultation with the system's benefits advisory  
23 39 committee, shall study the possible inclusion within  
23 40 the protection occupation category of IPERS an  
23 41 employee covered by the merit system as provided in  
23 42 chapter 8A, subchapter IV, whose primary duty is  
23 43 providing security at Iowa national guard  
23 44 installations and facilities and who carries or is  
23 45 licensed to carry a firearm while performing those  
23 46 duties, a registered nurse or licensed practical nurse  
23 47 employed at a correctional facility by the department  
23 48 of corrections, and a jailer or detention officer who  
23 49 performs duties as a jailer, including but not limited  
23 50 to the transportation of inmates, is certified as  
24 1 having completed jailer training pursuant to chapter  
24 2 80B, and is employed by a county as a jailer. On or  
24 3 before September 1, 2005, the Iowa public employees'  
24 4 retirement system shall file a report with the  
24 5 legislative services agency for distribution to the  
24 6 public retirement systems committee established by  
24 7 section 97D.4 with its findings and recommendations.  
24 8 The report shall include information concerning the  
24 9 number of possible employees that might be added, the  
24 10 actuarial cost of adding these categories of employees  
24 11 to the protection occupation category, and any other  
24 12 information that might assist legislators in  
24 13 considering whether, and how, to add these or other  
24 14 categories of employees to the protection occupation  
24 15 category.

24 16 Sec. 65. LICENSED HEALTH CARE PROFESSIONALS ==  
24 17 BONA FIDE RETIREMENT REPORT. The Iowa public  
24 18 employees' retirement system and the largest statewide  
24 19 organization representing public hospitals in this  
24 20 state shall each submit a report to the general  
24 21 assembly by December 1, 2006, concerning the costs and  
24 22 effectiveness of the provision of this Act amending  
24 23 section 97B.52A that provides that covered employment,  
24 24 for purposes of establishing a bona fide retirement,  
24 25 does not include employment as a licensed health care  
24 26 professional by a public hospital as defined in  
24 27 section 249I.3. Each report shall provide statistics  
24 28 concerning the number of members taking advantage of  
24 29 this provision, the costs and financial benefits, if  
24 30 any, associated with this provision, and  
24 31 recommendations for further action.

24 32 Sec. 66. EFFECTIVE DATE == RETROACTIVE  
24 33 APPLICABILITY.

24 34 1. The section of this Act amending section  
24 35 97B.53B, subsection 1, paragraph "c", being deemed of  
24 36 immediate importance, takes effect upon enactment and  
24 37 is retroactively applicable to January 1, 2002, and is  
24 38 applicable on and after that date.

24 39 2. The section of this Act amending 2002 Iowa  
24 40 Acts, chapter 1135, section 36, being deemed of  
24 41 immediate importance, takes effect upon enactment and  
24 42 is retroactively applicable to January 1, 2002, and is  
24 43 applicable on and after that date.

24 44 3. The section of this Act providing for the  
24 45 deposit of investment return to the favorable  
24 46 experience dividend reserve account, being deemed of  
24 47 immediate importance, takes effect upon enactment.

#### 24 48 DIVISION III

#### 24 49 STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM

24 50 Sec. 67. Section 400.8, subsection 1, Code 2003,  
25 1 is amended to read as follows:

25 2 400.8 ORIGINAL ENTRANCE EXAMINATION ==  
25 3 APPOINTMENTS.

25 4 1. The commission, when necessary under the rules,  
25 5 including minimum and maximum age limits, which shall  
25 6 be prescribed and published in advance by the  
25 7 commission and posted in the city hall, shall hold  
25 8 examinations for the purpose of determining the  
25 9 qualifications of applicants for positions under civil

25 10 service, other than promotions, which examinations  
25 11 shall be practical in character and shall relate to  
25 12 matters which will fairly test the mental and physical  
25 13 ability of the applicant to discharge the duties of  
25 14 the position to which the applicant seeks appointment.  
25 15 The physical examination of applicants for appointment  
25 16 to the positions of police officer, police matron, or  
25 17 fire fighter shall be held in accordance with medical  
25 18 protocols established by the board of trustees of the  
25 19 fire and police retirement system established by  
25 20 section 411.5 and shall be conducted in accordance  
25 21 with the directives of the board of trustees.

25 22 However, the prohibitions of section 216.6, subsection  
25 23 1, paragraph "d", regarding tests for the presence of  
25 24 the antibody to the human immunodeficiency virus shall  
25 25 not apply to such examinations. The board of trustees

25 26 may change the medical protocols at any time the board  
25 27 so determines. The physical examination of an  
25 28 applicant for the position of police officer, police  
25 29 matron, or fire fighter shall be conducted after a  
25 30 conditional offer of employment has been made to the  
25 31 applicant. An applicant shall not be discriminated  
25 32 against on the basis of height, weight, sex, or race  
25 33 in determining physical or mental ability of the  
25 34 applicant. Reasonable rules relating to strength,  
25 35 agility, and general health of applicants shall be  
25 36 prescribed. The costs of the physical examination  
25 37 required under this subsection shall be paid from the  
25 38 trust and agency fund of the city.

25 39 Sec. 68. Section 411.5, Code 2003, is amended by  
25 40 adding the following new subsection:

25 41 NEW SUBSECTION. 14. MEDICAL RECORDS. A physician  
25 42 or surgeon, physician assistant, advanced registered  
25 43 nurse practitioner, or mental health professional who  
25 44 provides records to the system in connection with the  
25 45 application by a member for disability retirement  
25 46 under this chapter shall be entitled to charge a fee  
25 47 for production of the records. The fee for copies of  
25 48 any records shall not exceed the reasonable cost of  
25 49 production.

25 50 Sec. 69. Section 411.6, subsection 7, unnumbered  
26 1 paragraph 1, Code 2003, is amended to read as follows:

26 2 ~~Re-examination~~ Reexamination of beneficiaries  
26 3 ~~retired on account of disability. Once each year~~  
26 4 ~~during the first five years following the retirement~~  
26 5 ~~of a member on a disability retirement allowance, and~~  
26 6 ~~once in every three-year period thereafter, the~~ The  
26 7 system may, and upon the member's application shall,  
26 8 require any disability beneficiary who has not yet  
26 9 attained age fifty-five to undergo a medical  
26 10 examination at a place designated by the medical  
26 11 board. The examination shall be made by the medical  
26 12 board or in special cases, by an additional physician  
26 13 or physicians designated by such board. If any  
26 14 disability beneficiary who has not attained the age of  
26 15 fifty-five refuses to submit to the medical  
26 16 examination, the member's allowance may be  
26 17 discontinued until withdrawal of such refusal, and if  
26 18 the refusal continues for one year all rights in and  
26 19 to the member's pension may be revoked by the system.  
26 20 For a disability beneficiary who has not attained the  
26 21 age of fifty-five and whose entitlement to a  
26 22 disability retirement commenced on or after July 1,  
26 23 2000, the medical board may, as part of the  
26 24 examination required by this subsection, suggest  
26 25 appropriate medical treatment or rehabilitation if, in  
26 26 the opinion of the medical board, the recommended  
26 27 treatment or rehabilitation would likely restore the  
26 28 disability beneficiary to duty.

26 29 Sec. 70. Section 411.6, subsection 7, paragraph a,  
26 30 unnumbered paragraph 2, Code 2003, is amended to read  
26 31 as follows:

26 32 A beneficiary retired under this lettered  
26 33 paragraph, in order to be eligible for continued  
26 34 receipt of retirement benefits, shall no later than  
26 35 May 15 of each year submit to the system a copy of the  
26 36 beneficiary's federal individual income tax return for  
26 37 the preceding year. The beneficiary shall also  
26 38 submit, within a reasonable period of time, any  
26 39 documentation requested by the system that is  
26 40 determined to be necessary by the system to determine

26 41 the beneficiary's gross wages.

26 42 Sec. 71. Section 411.6B, subsection 1, Code 2003,  
26 43 is amended to read as follows:

26 44 1. As used in this section, unless the context  
26 45 otherwise requires, and to the extent permitted by the  
26 46 internal revenue service:

26 47 a. "Direct rollover" means a payment by the system  
26 48 to the eligible retirement plan specified by the  
26 49 member or the member's surviving spouse, or the  
26 50 member's alternate payee under a marital property

27 1 order who is the member's spouse or former spouse.

27 2 b. "Eligible retirement plan" means ~~either~~ any of  
27 3 the following that accepts an eligible rollover  
27 4 distribution from a member, ~~or~~ a member's surviving  
27 5 spouse, or a member's alternate payee:

27 6 (1) An individual retirement account in accordance  
27 7 with section 408(a) of the federal Internal Revenue  
27 8 Code.

27 9 (2) An individual retirement annuity in accordance  
27 10 with section 408(b) of the federal Internal Revenue  
27 11 Code.

27 12 In addition, an "eligible retirement plan" includes  
27 13 an annuity plan in accordance with section 403(a) of  
27 14 the federal Internal Revenue Code, or a qualified  
27 15 trust in accordance with section 401(a) of the federal  
27 16 Internal Revenue Code, that accepts an eligible  
27 17 rollover distribution from a member. Effective

27 18 January 1, 2002, the term "eligible retirement plan"  
27 19 also includes an annuity contract described in section  
27 20 403(b) of the federal Internal Revenue Code, and an  
27 21 eligible plan under section 457(b) of the federal  
27 22 Internal Revenue Code which is maintained by a state,  
27 23 political subdivision of a state, or any agency or  
27 24 instrumentality of a state or political subdivision of  
27 25 a state that chooses to separately account for amounts  
27 26 rolled over into such eligible retirement plan from  
27 27 the system.

27 28 c. "Eligible rollover distribution" means all or  
27 29 any portion of a member's account, except that an  
27 30 eligible rollover distribution does not include any of  
27 31 the following:

27 32 (1) A distribution that is one of a series of  
27 33 substantially equal periodic payments, which occur  
27 34 annually or more frequently, made for the life or life  
27 35 expectancy of the distributee or the joint lives or  
27 36 joint life expectancies of the distributee and the  
27 37 distributee's designated beneficiary, or made for a  
27 38 specified period of ten years or more.

27 39 (2) A distribution to the extent that the  
27 40 distribution is required pursuant to section 401(a)(9)  
27 41 of the federal Internal Revenue Code.

27 42 (3) The portion of any distribution that is not  
27 43 includible in the gross income of the distributee,  
27 44 determined without regard to the exclusion for net  
27 45 unrealized appreciation with respect to employer  
27 46 securities. Provided, however, that effective January  
27 47 1, 2002, such distributions may be directly rolled

27 48 over to an individual retirement account described in  
27 49 federal Internal Revenue Code section 408(a) or  
27 50 408(b), a qualified defined contribution plan  
28 1 described in federal Internal Revenue Code section  
28 2 401(a), or a qualified annuity plan described in  
28 3 federal Internal Revenue Code section 403(a), if such  
28 4 plan agrees to separately account for the after-tax  
28 5 amount so rolled over.

28 6 (4) A distribution of less than two hundred  
28 7 dollars of taxable income.

28 8 Sec. 72. Section 411.22, subsection 1, paragraph  
28 9 b, Code 2003, is amended to read as follows:

28 10 b. A sum sufficient to pay the retirement system  
28 11 the present worth, computed at the interest rate  
28 12 ~~provided in section 535.3 for court judgments and~~  
28 13 ~~decrees assumption adopted by the system pursuant to~~  
28 14 section 411.5, subsection 9, of the future payments of  
28 15 such benefits, for which the retirement system is  
28 16 liable, but the sum is not a final adjudication of the  
28 17 future payments which the member is entitled to  
28 18 receive.

28 19 Sec. 73. Section 411.31, subsection 1, Code 2003,  
28 20 is amended by adding the following new paragraph:

28 21 NEW PARAGRAPH. e. "Refund liability" means the

28 22 amount the member may elect to withdraw from the  
28 23 former system under section 97A.16.  
28 24 Sec. 74. Section 411.31, subsection 2, Code 2003,  
28 25 is amended to read as follows:  
28 26 2. Commencing July 1, 1996, a vested member of an  
28 27 eligible retirement system who terminates employment  
28 28 covered by one eligible retirement system and, within  
28 29 one year, commences employment covered by the other  
28 30 eligible retirement system may elect to transfer the  
28 31 greater of the average accrued benefit or refund  
28 32 liability earned from the former system to the current  
28 33 system. The member shall file an application with the  
28 34 current system for transfer of the greater of the  
28 35 average accrued benefit or refund liability within  
28 36 ninety days of the commencement of employment with the  
28 37 current system.

28 38 Sec. 75. Section 411.31, subsection 4, Code 2003,  
28 39 is amended to read as follows:  
28 40 4. Upon receipt of an application for transfer of  
28 41 ~~the average accrued benefit as provided in this~~  
28 42 ~~section~~, the current system shall calculate the  
28 43 average accrued benefit and the refund liability and  
28 44 the former system shall transfer to the current system  
28 45 assets in an amount equal to the greater of the  
28 46 average accrued benefit or refund liability. Once the  
28 47 ~~transfer of the average accrued benefit~~ is completed,  
28 48 the member's service under the former system shall be  
28 49 treated as membership service under the current system  
28 50 for purposes of this chapter and chapter 97A.

29 1 Sec. 76. Section 411.36, subsection 1, paragraph  
29 2 c, Code 2003, is amended to read as follows:  
29 3 c. A city treasurer, city financial officer, or  
29 4 city clerk involved with the financial matters of the  
29 5 city from four participating cities, one of whom is  
29 6 from a city having a population of less than ~~forty~~  
29 7 thirty thousand, and three of whom are from cities  
29 8 having a population of ~~forty~~ thirty thousand or more.  
29 9 The members authorized pursuant to this paragraph  
29 10 shall be appointed by the governing body of the Iowa  
29 11 league of cities.

29 12 Sec. 77. EFFECTIVE DATE == RETROACTIVE  
29 13 APPLICABILITY. The section of this Act amending  
29 14 section 411.6B, subsection 1, being deemed of  
29 15 immediate importance, takes effect upon enactment and  
29 16 is retroactively applicable to January 1, 2002, and is  
29 17 applicable on and after that date.

29 18 DIVISION IV  
29 19 JUDICIAL RETIREMENT SYSTEM

29 20 Sec. 78. Section 602.9106, Code 2003, is amended  
29 21 to read as follows:

29 22 602.9106 RETIREMENT.  
29 23 Any person who shall have become separated from  
29 24 service as a judge of any of the courts included in  
29 25 this article and who has had an aggregate of at least  
29 26 ~~six~~ four years of service as a judge of one or more of  
29 27 such courts and shall have attained the age of sixty=  
29 28 five years or who has had ~~twenty-five~~ twenty years of  
29 29 consecutive service as a judge of one or more of said  
29 30 courts, and who shall have otherwise qualified as  
29 31 provided in this article, shall be entitled to an  
29 32 annuity as hereinafter provided.

29 33 Sec. 79. Section 602.9107C, subsection 1, Code  
29 34 2003, is amended to read as follows:

29 35 1. A judge under this system who has at least ~~six~~  
29 36 four years of service as a judge of any of the courts  
29 37 included in this article and who was a member of the  
29 38 Iowa public employees' retirement system as provided  
29 39 in chapter 97B, but who was not retired under that  
29 40 system, upon submitting verification of membership and  
29 41 service in the Iowa public employees' retirement  
29 42 system to the court administrator, including proof  
29 43 that the judge has no further claim upon a retirement  
29 44 benefit from that public system, may make  
29 45 contributions as provided by this section to the  
29 46 system either for the entire period of service in the  
29 47 other public system, or for partial service in the  
29 48 other public system in increments of one or more  
29 49 calendar quarters, and receive credit for that service  
29 50 under the system.

30 1 Sec. 80. Section 602.9108, Code 2003, is amended  
30 2 to read as follows:

30 3 602.9108 INDIVIDUAL ACCOUNTS == REFUNDING.  
30 4 The amount designated as the judge's contribution  
30 5 to the judicial retirement fund in section 602.9104,  
30 6 subsection 1, and all amounts paid into the fund by a  
30 7 judge shall be credited to the individual account of  
30 8 the judge. If a judge covered under this article  
30 9 becomes separated from service as a judge before the  
30 10 judge completes an aggregate of ~~six~~ four years of  
30 11 service as a judge of one or more of the courts, the  
30 12 total amount in the judge's individual account shall  
30 13 be returned to the judge or the judge's legal  
30 14 representatives within one year of the separation. If  
30 15 a judge, who is covered under this article and who has  
30 16 completed an aggregate of ~~six~~ four years or more of  
30 17 service as a judge of one or more of the courts, dies  
30 18 before retirement, without a survivor, the total  
30 19 amount in the judge's individual account shall be paid  
30 20 in one sum to the judge's legal representatives within  
30 21 one year of the judge's death. If an annuitant under  
30 22 this section dies without a survivor, and without  
30 23 having received in annuities an amount equal to the  
30 24 total amount in the judge's individual account at the  
30 25 time of separation from service, the amount remaining  
30 26 to the annuitant's credit shall be paid in one sum to  
30 27 the annuitant's legal representatives within one year  
30 28 of the annuitant's death.

30 29 Sec. 81. Section 602.9112, Code 2003, is amended  
30 30 to read as follows:

30 31 602.9112 VOLUNTARY RETIREMENT FOR DISABILITY.  
30 32 Any judge of the supreme, district or municipal  
30 33 court, including a district associate judge, or a  
30 34 judge of the court of appeals, who shall have served  
30 35 as a judge of one or more of such courts for a period  
30 36 of ~~six~~ four years in the aggregate and who believes  
30 37 the judge has become permanently incapacitated,  
30 38 physically or mentally, to perform the duties of the  
30 39 judge's office may personally or by the judge's next  
30 40 friend or guardian file with the court administrator a  
30 41 written application for retirement. The application  
30 42 shall be filed in duplicate and accompanied by an  
30 43 affidavit as to the duration and particulars of the  
30 44 judge's service and the nature of the judge's  
30 45 incapacity. The court administrator shall forthwith  
30 46 transmit one copy of the application and affidavit to  
30 47 the chief justice who shall request the attorney  
30 48 general in writing to cause an investigation to be  
30 49 made relative to the claimed incapacity and report  
30 50 back the results thereof in writing. If the chief  
31 1 justice finds from the report of the attorney general  
31 2 that the applicant is permanently incapacitated,  
31 3 physically or mentally, to perform the duties of the  
31 4 applicant's office the chief justice shall by  
31 5 endorsement thereon declare the applicant retired, and  
31 6 the office vacant, and shall file the report in the  
31 7 office of the court administrator, and a copy in the  
31 8 office of the secretary of state. From the date of  
31 9 such filing the applicant shall be deemed retired from  
31 10 the applicant's office and entitled to the benefits of  
31 11 this article to the same extent as if the applicant  
31 12 had retired under the provisions of section 602.9106.

31 13 Sec. 82. Section 602.9115A, unnumbered paragraphs  
31 14 1 and 3, Code 2003, are amended to read as follows:

31 15 In lieu of the annuities and refunds provided for  
31 16 judges and judges' survivors under sections 602.9107,  
31 17 ~~602.9107A~~, 602.9108, 602.9115, 602.9204, 602.9208, and  
31 18 602.9209, judges may elect to receive an optional  
31 19 retirement annuity during the judge's lifetime and  
31 20 have the optional retirement annuity, or a designated  
31 21 fraction of the optional retirement annuity, continued  
31 22 and paid to the judge's survivor after the judge's  
31 23 death and during the lifetime of the survivor.

31 24 The optional retirement annuity shall be the  
31 25 actuarial equivalent of the amounts of the annuities  
31 26 payable to judges and survivors under sections  
31 27 602.9107, ~~602.9107A~~, 602.9115, 602.9204, 602.9208, and  
31 28 602.9209. The actuarial equivalent shall be based on  
31 29 the mortality and interest assumptions set out in  
31 30 section 602.9107, subsection 3.

31 31 Sec. 83. Section 602.9203, subsection 2, paragraph  
31 32 b, Code 2003, is amended to read as follows:

31 33 b. Meets the minimum requirements for entitlement

31 34 to an annuity as specified in section 602.9106.  
31 35 However, a judge who elects to retire prior to  
31 36 attaining the age of sixty-five and who has not had  
31 37 ~~twenty-five~~ twenty years of consecutive service, may  
31 38 serve as a senior judge, but shall not be paid an  
31 39 annuity pursuant to section 602.9204 until attaining  
31 40 age sixty-five.  
31 41 Sec. 84. Section 602.9107A, Code 2003, is  
31 42 repealed.  
31 43 Sec. 85. EFFECTIVE DATE. This division of this  
31 44 Act, concerning the judicial retirement system, being  
31 45 deemed of immediate importance, takes effect upon  
31 46 enactment.>  
31 47 #2. Title page, by striking lines 1 through 4 and

1  
31 48 inserting the following: 31 49 retirement systems>.

31 50  
32 1  
32 2 \_\_\_\_\_  
32 3 JOHN P. KIBBIE  
32 4  
32 5  
32 6 \_\_\_\_\_  
32 7 DENNIS H. BLACK  
32 8  
32 9  
32 10 \_\_\_\_\_  
32 11 MIKE CONNOLLY  
32 12  
32 13  
32 14 \_\_\_\_\_  
32 15 THOMAS G. COURTNEY  
32 16  
32 17  
32 18 \_\_\_\_\_  
32 19 DICK L. DEARDEN  
32 20  
32 21  
32 22 \_\_\_\_\_  
32 23 AMANDA RAGAN  
32 24 HF 2262.705 80  
32 25 ec/gg